

**Jobs, Economy and Innovation
Committee of Supply
Budget 2022**

Jobs, Economy and Innovation				
Table of Contents - Detailed				
BUDGET 2022 - Committee of Supply (March 9, 2022)				
Tab 1	Minister's Speaking Notes			
Tab 2	Questions & Answers			ADM Responsible
	Outcome 1			
	<u>Alberta's economy is recovering</u>			
1		Alberta's Recovery Plan (ARP)		Paul LeBane
2		Alberta at Work		Paul LeBane
3		Tourism Recovery and Strategy		Paul LeBane
4		Provincial and Federal Supports for Tourism		Paul LeBane
5		Travel Alberta, Support for DMOs, Destination Marketing Fees		Chris Shandro
6		Economic Corridors Task Force and Rail Capacity Study		Paul LeBane
7		Strategic Aviation Advisory Council (Note: also links to Q&A 3.4)		Paul LeBane
8		Red Tape Reduction (RTR)		Chris Shandro
9		Regional and Rural Economic Development (Note: also links to Q&A 3.10 AI & RINS)		Jennifer Jabs
10		Phased out Programs (Tax Credits, Tourism Grants)		Chris Shandro
11		Film and Television Tax Credit (FTTC)		Chris Shandro
12		Small and Medium Enterprise Relaunch Grant (SMERG)		Chris Shandro
13		Restrictions Exemption Program Implementation Grant (REPG)		Chris Shandro
14		Innovation Employment Grant (IEG)		Chris Shandro
15		Supports for Women		Paul LeBane
16		Calgary and Edmonton Core Working Group		Jennifer Jabs
	Outcome 2			
	<u>Investment and trade are driving Alberta's economic recovery</u>			
1		Alberta Export Expansion Program (AEEP)		Chris Shandro
2		Investment and Growth Strategy and Concierge Services		Jennifer Jabs
3		Investment and Growth Fund (IGF)		Chris/Paul
4		Alberta Enterprise Corporation (AEC)		Chris Shandro
5		Northern Alberta Development Council (NADC)		Chris Shandro
6		Environmental, Social and Governance (ESG)		Paul LeBane
7		International Trade Policy		Paul LeBane
8		Calgary Banff Rail Project		Paul LeBane
9		Invest Alberta Corporation (IAC)		Chris Shandro
9A		Alberta International Offices and Invest Alberta Corporation		Jennifer Jabs
10		Incoming Delegations		Jennifer Jabs
11		International Missions		Jennifer Jabs
12		Trade Promotion (includes Alberta's Trade flows)		Jennifer/Paul
13		Alberta Washington Office and U.S. Office Expansion		Jennifer Jabs
14		International Offices - not including U.S. Advocacy Offices		Chris Shandro
15		Advisory Council on Alberta Ukraine Relations		Chris Shandro
16		Trade Agreements with Russia and Ukraine		Jennifer Jabs
17		Convoy Protests		Paul LeBane
	Outcome 3			
	<u>Technology and innovation are enabling Alberta to build on its strengths</u>			
1		Alberta Technology and Innovation Strategy (ATIS)		Paul LeBane
2		Pharmaceutical and Life Sciences Strategy		Jennifer Jabs
3		Vaccine Development		Jennifer Jabs
4		Aviation, Aerospace and Logistics Strategy (Note: also links to Q&A 1.7)		Paul LeBane
5		Manufacturing Strategy		Paul LeBane
6		Research Capacity Program (RCP) and Strategic Research Initiatives (SRI)		Chris Shandro
7		Genome Alberta		Jennifer Jabs
8		Technology Innovation and Emissions Reduction (TIER)		Paul LeBane
9		Clean Hydrogen Centre of Excellence		Paul LeBane
10		Alberta Innovates and Research Innovation Networks (Note: also links to Q&A 1.9)		Chris Shandro
11		Alberta Innovates' Accelerator Challenge Initiative		Paul LeBane
12		Quantum		Chris Shandro
13		Intellectual Property Commercialization Framework		Paul LeBane
14		Ecosystem Review		Paul LeBane
15		Alberta International Technology Partnership Program		Jennifer Jabs
16		Fintech, Crypto and Blockchain		Jennifer Jabs
17		Alberta Research and Innovation Framework and ATIS		Paul LeBane
18		Alberta Research and Innovation Advisory Committee		Chris Shandro

Jobs, Economy and Innovation
Table of Contents - Detailed
BUDGET 2022 - Committee of Supply (March 9, 2022)

	Miscellaneous				
1			State of the Economy - UPDATE EXPECTED ON FRIDAY, MAR 4		Paul LeBane
2			TBF Alberta Economic Indicators at a Glance - 2022-01-28 - UPDATE EXPECTED ON FRIDAY, MAR 4		Paul LeBane
3			Economic Recovery and Diversification		Paul LeBane
4			Alberta Public Service Compensation		Sonya Johnston
Tab 3	Estimates Variance Analysis (2022-23 Estimate to 2021-22 Budget; 2022-23 Estimate to 2021-22 Forecast)				Sonya Johnston
	EXPENSE VOTE BY PROGRAM				
	Page 143	AMOUNTS TO BE VOTED			
	Page 144	DESCRIPTION OF SUPPLY VOTE PROGRAMS			
	Page 145	OPERATING EXPENSE			
	1.1 - 1.3	Ministry Support Services 1.1 Minister's Office 1.2 Deputy Minister's Office 1.3 Strategic and Corporate Services			
	2.1 - 2.3	Economic Recovery and Development 2.1 Program Delivery Support 2.2 Industry and Regional Development 2.3 Technology and Innovation			
	2.4	Economic Recovery and Development 2.4 Grant to Alberta Innovates Corporation			
	2.5	Economic Recovery and Development 2.5 Grant to Travel Alberta Corporation			
	3.1 - 3.3	Investment and Trade 3.1 Program Delivery Support 3.2 International Relations and Trade 3.3 Investment and Industry Relations			
	3.4	Investment and Trade 3.4 Grant to Invest Alberta Corporation			
	CAPITAL PAYMENTS TO RELATED PARTIES				
	2.4	Economic Recovery and Development 2.4 Grant to Alberta Innovates Corporation			
	CAPITAL INVESTMENT VOTE BY PROGRAM				
	Page 145	DEPARTMENT CAPITAL ACQUISITIONS			
	1.3	Ministry Support Services 1.3 Strategic and Corporate Services			
	2.2 - 2.3	Economic Recovery and Development 2.2 Industry and Regional Development 2.3 Technology and Innovation			
	3.3	Investment and Trade 3.3 Investment and Industry Relations			
	FINANCIAL TRANSACTIONS VOTE BY PROGRAM				
	Page 146	DEBT REPAYMENT			
		Investment and Trade 3.5 Grant to Alberta Enterprise Corporation			
	CONTINGENCY VOTE BY PROGRAM				
		OPERATING EXPENSE			
	2.2 - 2.3	Economic Recovery and Development 2.2 Industry and Regional Development 2.3 Technology and Innovation			
	AMOUNTS NOT REQUIRED TO BE VOTED				
	Page 147	Department Statutory Amounts (FTTC, IEG)			
		Department Non-Cash Amounts (AEC liability, Amortization, Valuation Adjustments, Write Down of an Asset - Tourism Levy Abatement)			
	RECONCILIATION OF SUPPLY VOTE TO CONSOLIDATED GOVERNMENT ESTIMATE				
	Page 148 - 1	Entities' Amounts Not Voted & Consolidation Adjustments			
	Page 148 - 2	Reconciliation by Type of Spending (Expense, Capital Investment)			
	Page 149	MINISTRY FINANCIAL STATEMENTS - STATEMENT OF OPERATIONS			
	Revenue - 1	- Internal Government Transfers - Transfer from Government of Canada			
	Revenue - 2	- Premiums, Fees and Licences - Other Revenue - Inter-Ministry Consolidations			
	Investment - 3	Change in Capital Assets □			

Jobs, Economy and Innovation					
Table of Contents - Detailed					
BUDGET 2022 - Committee of Supply (March 9, 2022)					
Tab 4			Budget Estimates		
Tab 5			Business Plan 2022-25 and Performance Metrics		
			Business Plan 2022-25		
			Performance Metrics Summary		
Tab 6			Ministry Overview		
Tab 7			Additional Information		
1			Entities Financial Information		
2			PSI Funding Summary		
3			Recovery Plan/Covid-19 Initiatives Summary		
4			FTE Summary - JEI Ministry		
5			ATIS Funding Summary (\$73M over 3 years)		

Convoy Protests at Coutts and Rest of Canada

Question:

How was Alberta's economy affected by the blockade at the Coutts border crossing? What was the estimated damage?

Responses:

- A large variety of consumer and industrial goods are shipped from the United States to Alberta through the Coutts border crossing by truck, including fresh meat and fresh produce. Alberta consumers, truckers, ranchers and farmers, grocers, and manufacturers all rely on these shipments, and some of these shipments continue to other provinces in Canada.
- The Coutts border crossing is also used by Alberta manufacturers and producers to export goods to the United States and beyond. As well, it is used to export goods manufactured or produced elsewhere in Canada.
- Based on trade activity that occurred in 2020, more than \$5 billion worth of Alberta exports, of which more than 90 per cent originated from Alberta, went through the Coutts border crossing by truck. We estimate that more than half (54 per cent) – or \$2.9 billion – were either potentially perishable (e.g., food products) or time-sensitive (e.g., livestock).
 - o One-third (33 per cent) of these exports – or \$1.8 billion – was beef alone. Per day, that is close to \$5 million worth of beef at risk of spoilage. Other major meat exports include pork (\$137 million, or \$0.4 million per day on average) and edible offal (\$134 million, or \$0.4 million per day on average).
 - o About \$267 million, or \$0.7 million per day on average, of livestock, passed through Coutts. Livestock deliveries were of particular concern as they are at risk of contract cancellation, which would result in significant costs for both shippers and producers to redirect the shipments to another plant(s), assuming that option was even available.

Convoy Protests at Coutts and Rest of Canada

- Furthermore, we found that approximately \$7.7 billion worth of imports – or about \$21 million on average per day – were trucked through the Coutts border crossing in 2020, causing some Alberta companies to delay or scale down production, as well as reduce employee hours.

Question:

Was Alberta's economy hurt by blockades occurring in the other parts of Canada?

Response:

- While most of Alberta exports that are transported by truck go through the Coutts border crossing, blockades in Manitoba, British Columbia, and Ontario most likely disrupted a sizeable amount of Alberta exports.
 - o We estimate that about \$754 million – or about \$2 million per day on average – worth of Alberta exports went through the border crossing at Emerson, Manitoba in 2020.
 - o About \$226 million – or about \$600,000 per day on average – worth of Alberta exports went through the Pacific Highway in British Columbia.
 - o About \$74 million – or about \$200,000 per day on average – worth of Alberta exports went through the Windsor-Ambassador Bridge in Ontario.

Question:

Do you anticipate any lingering or far-reaching effects from the blockades?

Response:

- Collectively, the blockades may have caused businesses both here in Alberta and elsewhere in Canada to be more hesitant to engage in international trade, which in turn may increase uncertainty for investors.

Convoy Protests at Coutts and Rest of Canada

- The blockades in Canada have led to parallel copycat protests across Europe, the U.S., New Zealand, and Australia. Systemically, it raises the potential for future protesters to seek to block key transportation routes and infrastructure, causing negative economic consequences.
 - o Globally, this could add further uncertainty and variability to supply routes and supply chains, with the potential to raise prices and undermine existing trade networks.
 - o In North America, this could threaten the Canada-U.S. trade relationship, by undermining our interconnected supply chains as well as our arguments against Buy America policies (to the extent that protectionists in the U.S. point to such events as evidence of unreliability of foreign trade).